



## STATEMENT

### PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

#### H.B. No. 5444 – AN ACT CONCERNING THE VALUE OF A TOTALLED MOTOR VEHICLE.

#### COMMITTEE ON INSURANCE AND REAL ESTATE

February 10, 2011

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 5444, which would require that the value of a totaled vehicle be determined by averaging publicly available sources provided by the insurer and the insured. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI members represent 37 percent of the total property/casualty insurance market and 43 percent of the total personal auto business in the nation. PCI member companies provide 50 percent of Connecticut's personal auto coverage.

PCI opposes this legislation because it would prohibit the use of the most complete, accurate and up to date tools to determine the value of a motor vehicle. Proprietary valuation sources are able to utilize detailed information relative to the specific options and features included on vehicles, thereby allowing for a more accurate and fair valuation of a particular vehicle. In addition, proprietary sources update their information more frequently than other publicly available sources. Some proprietary sources update their information on a daily basis, while publicly available sources tend to do so on a quarterly or even less frequent basis. Proprietary sources also use local market vehicles and data while other sources use regional or even national data. All of these factors lead to a more accurate valuation of a totaled vehicle than when less sophisticated publicly available sources are utilized to determine valuation.

This issue was addressed just last year through the passage of HB 5014, which requires insurers to, among other things, provide claimants with a copy of any valuation report utilized by the insurer in determining the value of a totaled motor vehicle if such report is not publicly available. This requirement ensures that the process is transparent and that the claimant has the necessary information relative to the valuation of his or her vehicle. This requirement has been in effect only a little over month and already this legislation would seek to change it. PCI would submit that sufficient time has not been allotted to determine whether the provisions of HB 5014 are working as intended. Rather, without even giving these provisions a chance to be implemented for a reasonable period and assessing the extent to which these provisions accomplish the goals of the legislature in enacting these provisions, this bill would change these provisions again.

For the foregoing reasons, PCI urges your Committee to not favorably advance HB 5444.